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Fact Sheet

PRESIDENT CLINTON'S FY 1999 BUDGET: EXPANDING ECONOMIC OPPORTUNITY FOR FAMILY FARMERS AND RURAL AMERICA

The President's FY 1999 budget would improve the quality of life for rural Americans by expanding economic opportunities in rural communities and helping rural businesses better compete in the global marketplace. Through financial and technical assistance for individuals, local communities, and rural businesses, the budget promotes a strong American farm economy.

The budget also reflects the President's commitment to a safety net for American farmers. Income support, farm credit, risk management, and other programs will help ensure the long-term economic vitality of American agricultural producers. The budget further promotes economic opportunity by developing and protecting expanded export markets for domestic producers.

Rural communities and American farmers would benefit from the budget's proposals to:

- Fully fund the crop insurance program at nearly \$2.7 billion, expanding crop revenue coverage to protect against lower prices and production losses. If Congress acts quickly, the crop insurance program, USDA's primary means of helping farmers survive crop loss (or low prices), will be on solid financial ground.
- Provide \$40 million for the Food Genome Initiative that will stimulate improved productivity and biodiversity.
- Nearly double funds for direct farm ownership loans to \$85 million, reaching more than 1,000 people. The budget proposes an increase to \$500 million for direct farm operating loans, which will support loans to 12,000 producers, 40 percent of whom will benefit from limited resource rates.
- Increase the farm ownership loan guarantee program to \$425 million, up from \$400 million in FY 1998.
- Provide \$1 billion in direct home ownership loans, allowing more than 20,000 low-income rural Americans to become homeowners.
- Help provide cleaner water supplies with \$1.3 billion in loans and grants for water and waste disposal systems, an increase of \$66 million over last year.
- Fund a \$1 billion business and industry loan program expected to create more than 38,000 jobs in rural communities.
- Provide funding for five new rural Enterprise Zones that will stimulate economic growth and a higher quality of life. A powerful influx of federal resources to assist local efforts can revitalize depressed areas.

Trade

- Allocate \$6.4 billion for USDA's trade and export promotion activities, including \$4.6 billion for export credit guarantees to protect American agricultural sales in Asia and other areas experiencing economic instability.
- Provides up to \$320 million for the Export Enhancement Program (EEP), an increase of \$170 million from the FY 1998 level. EEP, one of two USDA export subsidy programs, enhances American agricultural competitiveness in overseas markets with subsidized sales.

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